The Higher Education Trap: Over-Qualified and Under-Employed in China

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I. Introduction

The increasing graduate unemployment rate has been making headlines in many countries. Every year China oversee millions of graduates streaming out of its many colleges and universities, hoping not to become the latest entry to the jobless and destitute community commonly known as the “ant tribe” or “rat people”. The increasingly unequal Chinese society is further exacerbated by emergence of this social phenomenon and it has become more noticeable both in urban and rural settings in the past few decades especially following China’s “open door” and reform policy. Chinese economy has been moving in such rapid speed over the past three decades due to its labour intensive, export-led growth model. Despite of its meteoric rise, China’s labour market has not able to generate enough capacity to absorb the increasing number of graduates. This problem will only escalate when China is experiencing a cooling off period due to the global economic slowdown especially now when it slowly switch to a more sustainable, consumption-based model.

The increasingly competitive and stressful lifestyle has made Chinese parents and their offspring to develop unhealthy attitudes towards education in general and the trend has greatly influenced the way they manage their level of expectation. The highly disillusioned society still cling on to the age-old Chinese tradition where receiving education takes centre stage and more often views as the only way out to escape poverty and increase one’s social status. Chinese educational pattern that favours rote learning and rigid examination system have left a number of educators starting to doubt its effectiveness in preparing students to survive the ever changing demand of the global economy and its long term effect towards the students’ future employment capability.

Chinese education and schooling system has always been elitist in character and the pattern has existed throughout many generations. Recent decades saw a comeback in such practice
mainly because the Chinese society has grown more affluent and gain exposures from foreign travels and overseas education. Such sentiment is also propagated by the emerging middle class. Urban parents compete with one another fiercely and spent copious amount of money enrolling their children into branded schools and tuition centres in hope in giving them a better start in life. Such practice further pushed the less privilege, especially the rural community further into the corner because of the severe lack of resources and poor family background.

The writer poses a series of questions that emerged after in her effort in narrowing the possible the factors that contributed to the worrying trend of graduate unemployment and high education trap in China. Does this systemic structural employment trap in China is unique on its own due to the combination of extreme state intervention followed by the increasingly elitist education system brought by the rapid economic development and misguided government education policy? Does the combination created the “perfect” environment and subsequently produced a new breed of human capital that encourage the expansion of this social phenomenon into its current massive scale? Are affluent Chinese parents guilty in “preserving” (indirectly) this phenomenon to ensure that their offspring become leaders of the pack at the expense of others?

II. Literature review

The writer will based her literature review on three main points that she will focus on as potential causes and drivers behind the high education trap and structural employment problem in China.

II 1. State intervention

The Cultural Revolution 1966-1976
The writer intends to introduce state intervention as one of the main factors that has the capability to create a ripple of change in the natural progression of human history. Such extreme changes allow new permutation of trends to emerge and variables that affect future decision makers’ action and attitude towards certain issues especially on the role and impact of education and its relations to economic development and employment capability. China’s turbulent history has made its quest to promote and modernise its mass public education extremely challenging (Treiman, 2013). Major setbacks such as the 25 year war between Nationalist and Communist, the Japanese occupation that spanned from 1931-1945 and policy swift between egalitarian and meritocratic bases for school admission played a great deal in shaping the future education reform in later day China. The Chinese society perceived notion of education was also seriously altered due to its past traumatic experiences such as the Great Leap Forward and the Cultural Revolution.

Deng and Treiman (1997) identified China as a special case and used the Cultural Revolution as the basis of their research on the impact of such extreme state intervention which travels within a strong political undertones had on the trends of educational attainment in China. As stated in the 1959 edition of China Daily, human capital imbalance and the lack of standardization in Chinese schools, undermined the communist goal in bridging the gap between urban and rural community, industry and agriculture, physical and mental labour in China.

Education is elitist by nature in China and the selective process that favours strict examination and family background was a stumbling block for the party because it feared that its main supporters came from the working class and peasant stocks had no means to upgrade its quality and eventually become a burden to the party. The Communist Party study plan over-emphasised on the creation of workers suitable for labour intensive industries and fitted China’s export-led growth model that was the catalyst for its double-digit economic
expansion the country enjoyed close for three decades. Major trends emerged from that era such as the sheer wastage of talents due to the violent purge and later the state’s mismanagement of talent creation and supply created the first signs structural unemployment.

**The expansion of higher education policy in 1999**

Bai Limin (2006) suggested that China’s decision to reform its higher education policy in 1999 was predominantly driven by its intention to stimulate the post-1997 Asian Financial Crisis economy rather than truly address the structural and residual problems of past reforms. The state pushed hard for higher education attendance because the reform was considered as the solution and the appropriate trigger to encourage Chinese society to invest more in their children and adult education programs which in turn will lead to an increase domestic consumption and spending needed to invigorate the sluggish economy. Educators have long warned the government of the danger of creating a market-driven policy as the basis of reform in the education sector, especially in the higher education level. The state played on Chinese tradition that revered the importance of receiving high education in order to attain better social status, high paying job and prestige. Parents were strongly encourage to aspire to enrol their children in university as the means to gain better competitive edge especially in the background of a fast-paced economic growth. Such strong sentiment has made the growth potential of higher education institute extremely attractive to the state-run, private and overseas operators to jump into the bandwagon. Li Wenli (2007) pointed out that higher education attendance in China has enjoyed rapid ascend especially at better quality universities. Prospective students often have to face extremely stiff competition to gain entry into these prestigious institutes.

However, factors such as regional disparities, varying household income and the lack of proper watch dog over the education sector have made it fraud with many obstacles and in
turn harmed the students’ prospect in gaining the appropriate skills and landing the suitable employment. More often the disparities in economic development are parallel to the disparities in higher education (Bai, 2006). The trend towards mass higher education also did not support the structure of China’s key industries and national job market. High school students were restricted by the lack of diversity in curricula at different levels and the choices of majors which resulted in reducing their flexibility to respond and adjust to the market demand upon graduation. Hence, university graduates are facing a job market which has limited capacity to absorb them properly.

II 2. Unequal cultural capital in and differential school quality

Li Wenli (2007) cites a study by Carneiro and Heckman (2002) that identified the two factors which are not necessarily related that support the relation of family background, financial constraints to higher education attendance in China. First, differences in academic abilities which resulted from long term factor associated with family background. Second, short-term family financial difficulties or barriers which hinder the natural progression of one’s educational attainment process. She assumes that both long and short-term financial constraints can greatly impact college attendance and college choices. College choices are mainly measured by the quality of academic achievements of the school. The lack of proper guideline and education watchdog have further increase the regional disparities and quality of the schools in these regions.

China’s rapid economic development also affected the way education reform was applied especially on the implementation of tuition and student loan policies, which in turn pushed parents and students to adjust their choice of college according to their economic means instead of basing their choices on the most suitable track that will prepare the students in obtaining employable skills.
II 3. Employment capability

The issue of over-education in China

Nirmal K. Chandra (1987) suggests that it is unadvisable for a country to concentrate solely on the development of certain sectors and particular skills on the expense of existing infant industries and indigenous qualities. He sums it up as “It is a sheer waste to have more mining engineers and nuclear physicist that a country can usefully employ”. China, along with many developing countries, in its haste to modernise itself and catch up with the rest of world, made some decisions that appeared to be suitable at that time but consequently have long-term residual affect to future development of the country.

Lai Desheng (2011) attributes the graduates’ level of employability to China’s highly segmented labour markets which discourage free movement of talents (which is further escalated by the rigid hukou system) and prevent workers from fully use their potential to explore their full employment capability. At the same time, China education reform has failed to reform the initial framework of the higher education to fully adapt to the market demands, especially to suit today’s Chinese economy which is so tightly intertwined in global economy.

Crabb (2010) highlighted today’s Chinese middle class and its fixation over preparing their offspring with expensive tuitions and enrichment classes in hope of giving them a head start in life. Many parents worshiped the mantra of over-zealous spending on education in hope that it will put their offspring as leaders of the pack and earn the acceptable income level that “compensate” the number of years spent on schooling and tuitions.

III. Conclusion

Nirmal K. Chandra (1987) strongly suggests that China need to tailor its educational pattern and plan to suit the requirements of rapid growth in an economy characterised by a low level
of development of the productive forces. The writer would like to suggests that the low level
development of productive forces is a result of past state interventions and economy reforms
which created the basis for further expansion of the hidden flaws in the education reform
which gradually translated into the structural employment and graduate underemployment
faced by China today. Her statement is further strengthen by Bai (2006) who concluded that
the relation between economic growth and the development of higher education in China is
highly interdependent one. He also correctly pointed out that graduate unemployment is
intrinsically link to economic development, education policy making and reform in the
economy along with reform in higher education.

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